

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5567-01
Bill No.: SB 761
Subject: Emergencies; Insurance - Medical; Health Care; Medical Procedures and Personnel
Type: Original
Date: February 17, 2014

Bill Summary: This proposal modifies requirements for insurance benefit determinations by a health carrier.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Insurance Dedicated	Up to \$5,700	\$0	\$0
Other State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Road Fund	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$5,700 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Federal Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services, Department of Social Services, Department of Mental Health, Missouri Consolidated Health Care Plan and Missouri Department of Conservation** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Missouri Highway Patrol** defer to Department of Transportation for response to fiscal impact.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state that insurers would be required to submit amendments to their policies to comply with the legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. The number of insurance companies writing these policies in Missouri fluctuates each year. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$5,700.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the department will need to request additional staff to handle increase in workload.

In response to a similar proposal from last year, SB 406, officials from the **Department of Transportation (MoDOT)** assumed that the MoDOT Medical Plan does not fall under the definition of health carrier as used in this proposal. However, the Medical Plan could be required to comply under section 104.801 RSMo, which states that any legislation enacted by the general assembly which mandates coverage of services shall also apply to the Medical Plan.

This proposed legislation would impact the Medical Plan if a provider performed services which our current case management may not have approved in the past. The impact is unknown based on the language provided.

The response in regards to fiscal impact that **Oversight** received from Department of Transportation conflicts with the response received from Missouri Consolidated Health Care Plan.

Oversight is unable to determine the accuracy of either response, and will therefore reflect a fiscal impact of \$0 or negative unknown to the various state funds.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Cost - HCP</u> Increased health coverage costs	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
INSURANCE DEDICATED FUND			
<u>Revenue - DIFP</u> Policy amendment fees	<u>Up to \$5,700</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>Up to \$5,700</u>	<u>\$0</u>	<u>\$0</u>
ROAD FUND			
<u>Costs - MoDOT</u> Increased health coverage costs	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON ROAD FUND	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
OTHER STATE FUNDS			
<u>Cost - HCP</u> Increased health coverage costs	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
FEDERAL FUNDS			
<u>Costs - HCP</u>	\$0 or	\$0 or	\$0 or
Increased health coverage costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal reduces the time in which a health carrier must make a determination of benefits from two working days to twenty-four hours after obtaining all necessary information regarding a proposed admission, procedure, or service. This proposal also expands expedited benefit determinations for emergency services to include health care services involving serious and urgent conditions, as defined by the proposal. Services provided for a serious and urgent condition shall not require prior authorization.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

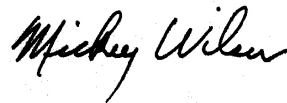
Department of Insurance, Financial Institutions and Professional Registration
 Department of Health and Senior Services

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Department of Social Services
Department of Mental Health
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Department of Transportation
Missouri Highway Patrol

Mickey Wilson, CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Director
February 17, 2014

Ross Strobe
Assistant Director
February 17, 2014

LO:LR:OD